

LOS ANGELES COUNTY ECONOMIC FORECAST

Los Angeles County is the largest county in California, with 10.0 million people and 4.2 million wage and salary jobs. The per capita income in Los Angeles County is \$46,771, and the average salary per worker is \$67,826.

In 2013, strong improvement was observed in the Los Angeles County labor market. A total of 105,700 jobs were gained, representing a growth rate of 2.6 percent. This is slightly slower than the broader Southern California region, which was characterized by an increase of 2.7 percent. The unemployment rate in Los Angeles County declined from 10.9 percent in 2012 to 9.9 percent in 2013, which is a significant improvement.

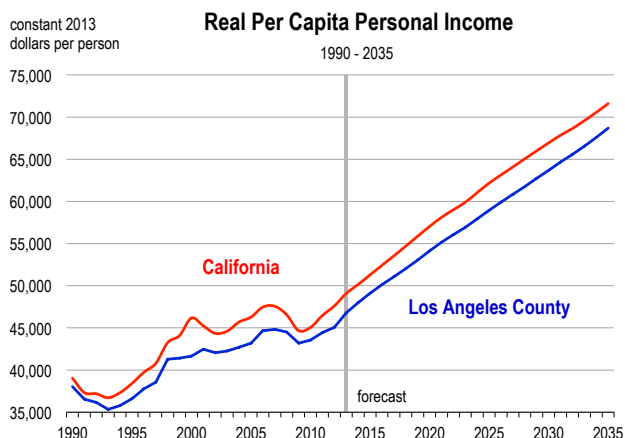
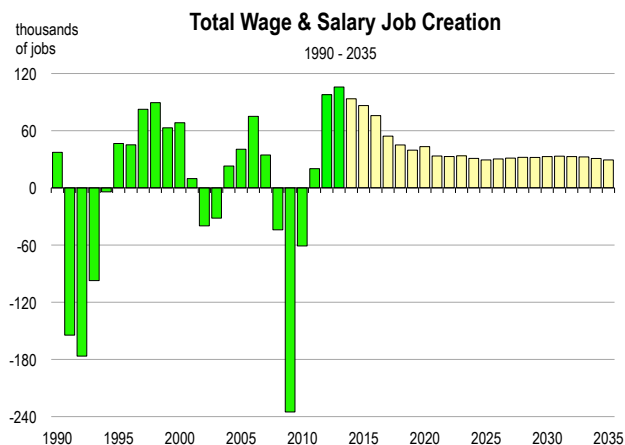
In 2013, employment growth in Los Angeles County was led by education and healthcare (+39,300 jobs), leisure and hospitality (+21,500 jobs), and professional and business services (+20,300 jobs). The largest decline occurred in the public sector (-7,600 jobs).

In previous years, Northern Los Angeles County (the Santa Clarita and Antelope Valleys) was the fastest growing area of the county. Due to a large amount of buildable land, this trend should again take hold, and over the long-term the northern region will be responsible for much of the growth in the county.

Between 2008 and 2013, the Los Angeles County population increased at an annual average rate of 0.4 percent. This growth was due entirely to the natural increase (new births), as net migration was negative.

FORECAST HIGHLIGHTS

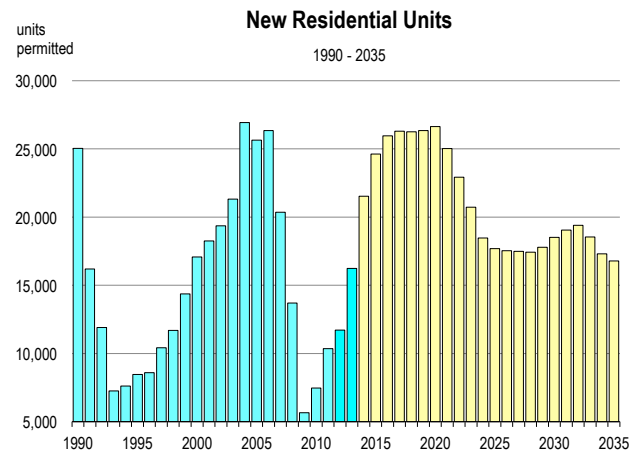
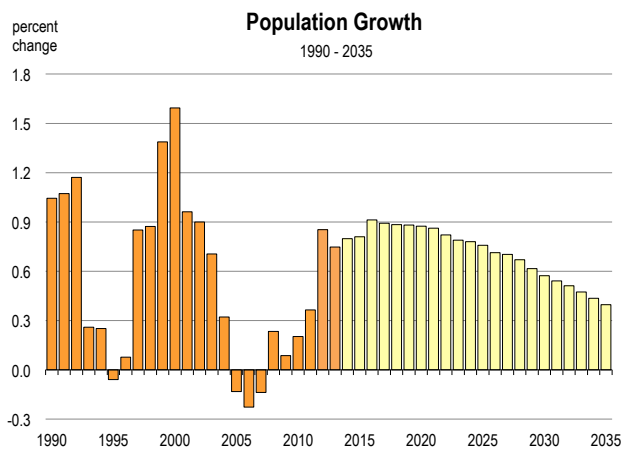
- Total employment is expected to increase by 2.3 percent in 2014. From 2014 to 2019, the growth rate is expected to average 1.8 percent per year.
- Average salaries are marginally lower in Los Angeles County than they are across the state. Real average salaries in Los Angeles County are forecasted to increase by an average of 1.0 percent per year over the next 5 years, compared to 1.4 percent across the state as a whole.
- Employment growth will be led by education and healthcare, leisure and hospitality, professional and business services, and manufacturing. Together, these industries will account for 72 percent of net job creation between 2014 and 2019.
- From 2014 to 2019, population growth will average 0.9 percent per year, roughly twice as fast as the previous five years. The natural increase will be responsible for almost all growth, as net migration will be low.
- Real per capita income will increase at a rate of 2.7 percent in 2014. Over the 2014 to 2019 period, growth is expected to average 2.0 percent per year.
- Total taxable sales are expected to increase by an average of 2.3 percent per year from 2014 to 2019.
- Industrial production is expected to increase by 3.1 percent in 2014. From 2014 to 2019, the growth rate of industrial production is expected to average 3.9 percent per year.



Los Angeles County Economic Forecast

2006-2013 History, 2014-2040 Forecast

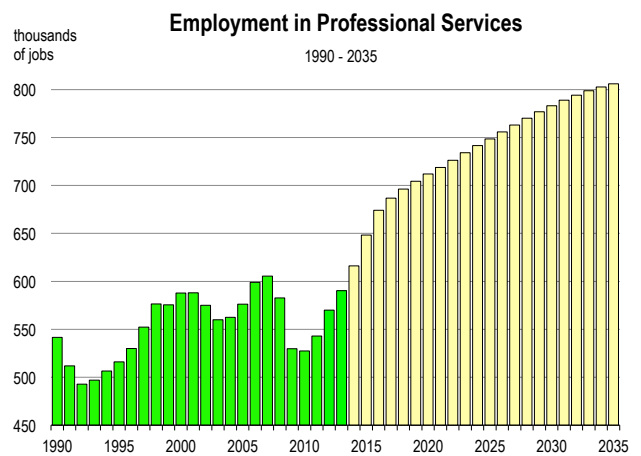
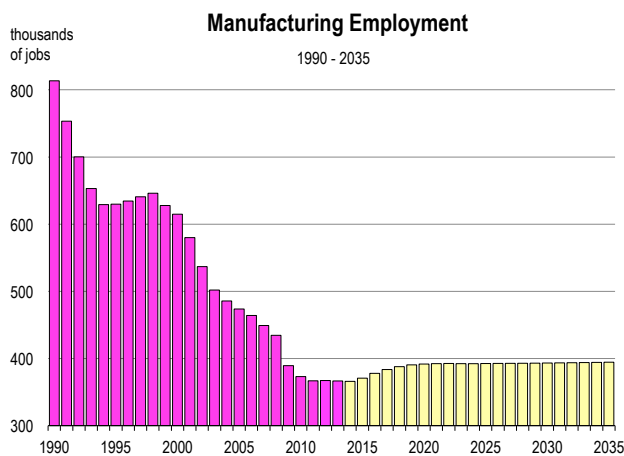
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	9,787,327	-111,749	7.6	3,196.2	26,348	\$136.2	\$384.4	\$44,666	4.3	308.1	100.1	4.8
2007	9,773,894	-106,087	7.6	3,207.8	20,363	\$137.8	\$397.9	\$44,830	3.3	279.1	99.9	5.1
2008	9,796,812	-69,939	7.5	3,224.1	13,704	\$131.9	\$410.0	\$44,516	3.5	240.7	102.7	7.5
2009	9,805,233	-78,699	7.4	3,233.5	5,653	\$112.7	\$394.9	\$43,189	-0.8	203.2	94.6	11.6
2010	9,825,077	-58,953	7.4	3,239.3	7,468	\$116.9	\$404.0	\$43,564	1.2	184.4	90.2	12.6
2011	9,860,904	-38,790	7.4	3,244.0	10,362	\$126.4	\$424.8	\$44,454	2.7	178.6	89.0	12.3
2012	9,945,031	11,453	7.4	3,249.6	11,715	\$135.3	\$443.1	\$45,062	2.0	192.1	94.1	10.9
2013	10,019,365	399	7.5	3,258.3	16,238	\$141.4	\$468.6	\$46,771	1.1	193.7	96.7	9.9
2014	10,099,350	7,015	7.6	3,270.3	21,531	\$147.1	\$493.2	\$48,009	1.7	192.0	99.8	8.8
2015	10,181,140	10,008	7.7	3,287.7	24,624	\$153.8	\$519.8	\$49,122	2.2	190.4	104.0	7.7
2016	10,274,040	19,996	7.8	3,307.6	25,959	\$159.7	\$543.5	\$50,130	1.5	188.8	108.2	6.8
2017	10,365,720	19,245	7.9	3,328.5	26,299	\$165.3	\$565.6	\$51,066	1.3	187.4	112.4	6.4
2018	10,457,330	19,815	8.0	3,349.7	26,255	\$171.1	\$588.4	\$52,034	1.2	186.0	116.7	6.3
2019	10,549,490	22,084	8.1	3,370.9	26,345	\$177.2	\$613.0	\$53,059	1.3	184.6	120.9	6.2
2020	10,641,730	23,663	8.2	3,392.2	26,639	\$183.5	\$638.8	\$54,139	1.2	183.4	124.9	6.1
2021	10,733,480	25,787	8.3	3,413.7	25,026	\$189.4	\$665.3	\$55,154	1.4	182.1	128.7	6.2
2022	10,821,620	24,831	8.4	3,433.9	22,926	\$194.9	\$691.8	\$56,057	1.5	181.0	132.5	6.1
2023	10,907,030	24,476	8.5	3,452.4	20,726	\$200.5	\$718.0	\$56,934	1.4	179.9	136.6	6.1
2024	10,992,110	25,754	8.6	3,469.1	18,468	\$206.7	\$746.5	\$57,925	1.4	178.9	140.4	6.1
2025	11,075,440	26,064	8.7	3,484.0	17,689	\$213.0	\$776.2	\$58,951	1.4	177.9	144.5	6.1
2026	11,154,420	23,834	8.8	3,498.3	17,536	\$219.6	\$805.6	\$59,918	1.4	176.9	148.9	6.1
2027	11,232,800	25,604	8.9	3,512.4	17,490	\$226.7	\$835.3	\$60,843	1.4	176.0	153.5	6.1
2028	11,308,070	24,914	9.0	3,526.6	17,428	\$234.4	\$865.8	\$61,780	1.4	175.2	158.5	6.1
2029	11,377,730	21,764	9.0	3,540.6	17,789	\$242.1	\$896.9	\$62,736	1.4	174.3	163.9	6.1
2030	11,442,910	19,924	9.1	3,555.0	18,515	\$250.4	\$928.8	\$63,706	1.4	173.6	169.5	6.1
2031	11,504,850	19,149	9.2	3,569.9	19,049	\$259.6	\$961.2	\$64,671	1.4	172.8	175.2	6.0
2032	11,563,720	18,435	9.2	3,585.3	19,399	\$269.4	\$993.4	\$65,585	1.4	172.1	181.2	6.0
2033	11,618,520	16,780	9.3	3,600.9	18,544	\$279.5	\$1,027.1	\$66,560	1.4	171.5	187.4	6.0
2034	11,669,120	15,184	9.4	3,615.9	17,307	\$289.5	\$1,062.3	\$67,597	1.4	170.8	193.7	6.0
2035	11,715,390	13,642	9.4	3,629.9	16,786	\$299.5	\$1,098.9	\$68,690	1.4	170.2	200.3	6.0
2036	11,757,510	12,155	9.5	3,643.4	16,562	\$309.5	\$1,136.6	\$69,817	1.4	169.6	207.1	6.0
2037	11,795,810	10,719	9.6	3,656.8	16,559	\$319.2	\$1,175.7	\$70,996	1.4	169.1	214.2	6.0
2038	11,832,470	11,333	9.6	3,670.2	16,675	\$328.7	\$1,216.5	\$72,224	1.4	168.5	221.4	6.0
2039	11,866,800	10,995	9.7	3,683.6	16,829	\$338.0	\$1,258.8	\$73,491	1.4	168.0	229.0	6.0
2040	11,898,050	9,704	9.8	3,697.2	17,095	\$347.3	\$1,302.1	\$74,777	1.4	167.6	238.4	6.0

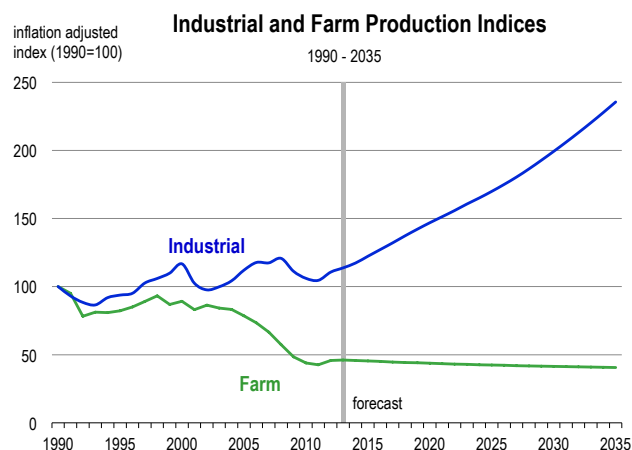
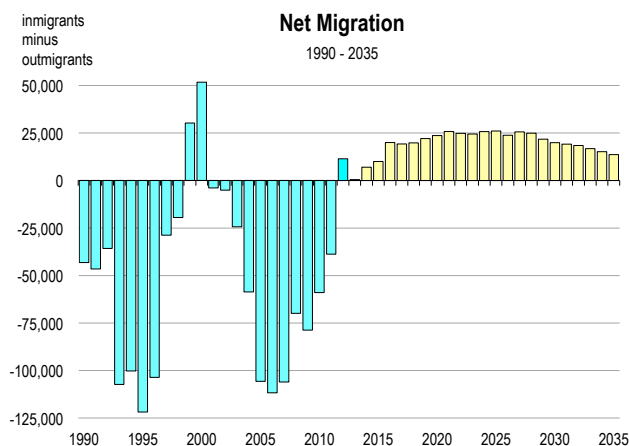
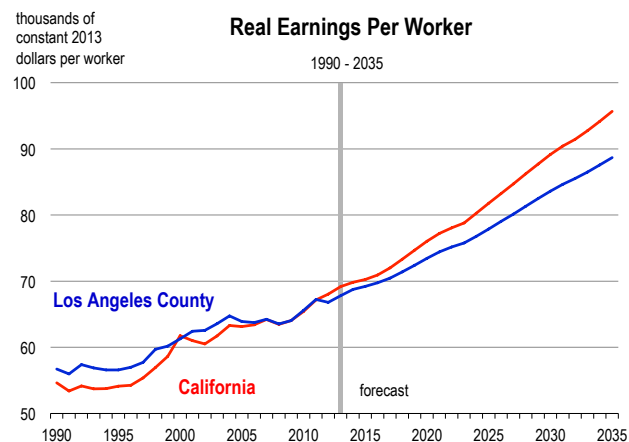
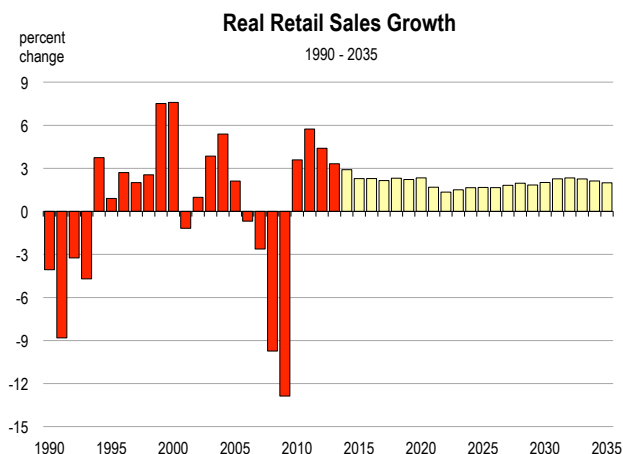


Los Angeles County Employment Forecast

2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2006	4,200.5	7.63	157.5	463.9	165.2	646.7	246.7	598.9	205.6	581.1	388.6	589.4
2007	4,234.9	7.50	157.6	449.2	165.6	653.0	243.8	605.4	209.8	597.9	397.9	595.7
2008	4,190.8	6.89	145.2	434.5	163.1	640.2	233.3	582.6	210.3	619.0	401.6	603.7
2009	3,955.6	6.19	117.3	389.2	151.2	591.4	216.0	529.8	191.2	639.9	385.5	595.9
2010	3,894.6	6.23	104.5	373.2	150.5	589.4	209.5	527.5	191.5	637.2	384.8	579.6
2011	3,914.6	5.63	105.0	366.8	151.8	598.1	208.4	542.9	191.9	643.1	394.6	565.5
2012	4,012.3	5.40	109.1	367.2	154.4	612.1	210.7	570.0	191.4	674.1	415.3	556.8
2013	4,118.0	5.45	116.5	366.5	156.9	623.7	211.8	590.3	197.3	713.4	436.7	549.2
2014	4,211.4	5.39	121.4	365.9	160.0	632.5	215.6	616.1	201.8	735.8	452.5	551.4
2015	4,297.7	5.34	123.8	370.7	161.9	636.6	219.3	648.3	204.9	753.6	462.2	554.9
2016	4,373.4	5.30	126.5	377.9	163.4	640.3	222.4	674.1	208.6	767.5	470.7	557.8
2017	4,427.6	5.26	128.6	383.5	164.6	643.6	224.2	686.8	211.6	781.9	475.8	560.9
2018	4,472.6	5.23	130.1	387.8	165.7	648.0	225.4	696.2	213.8	796.9	478.0	563.0
2019	4,512.1	5.20	130.8	390.5	166.3	652.3	226.7	704.4	215.6	813.3	478.9	564.6
2020	4,555.3	5.18	131.6	391.7	167.3	656.7	228.1	712.0	217.3	832.7	479.7	568.6
2021	4,588.7	5.15	133.2	392.3	168.3	660.1	229.0	718.8	219.0	849.5	479.7	568.2
2022	4,621.5	5.13	132.5	392.6	169.3	662.8	230.0	726.2	220.4	866.4	480.0	569.1
2023	4,655.1	5.11	131.8	392.3	170.4	665.8	230.4	734.1	221.6	884.2	480.6	570.2
2024	4,686.0	5.09	131.1	392.2	171.3	669.0	230.8	741.6	222.9	899.3	480.8	571.9
2025	4,715.2	5.08	129.0	392.5	172.3	672.2	231.7	748.5	224.3	913.7	481.0	573.6
2026	4,745.5	5.06	128.8	392.6	173.3	675.3	232.5	755.8	225.7	927.1	481.3	575.2
2027	4,776.7	5.05	129.3	392.8	174.3	678.8	233.2	763.0	227.1	940.7	481.6	576.8
2028	4,808.7	5.03	130.1	392.9	175.3	682.5	233.8	770.1	228.4	954.5	481.9	578.5
2029	4,840.5	5.02	130.9	393.0	176.3	686.0	234.4	776.8	229.7	968.9	482.2	580.2
2030	4,873.3	5.01	132.0	393.2	177.3	689.9	235.0	783.1	231.1	983.8	482.6	581.8
2031	4,906.5	5.00	133.5	393.4	178.3	694.1	235.6	788.9	232.5	998.8	483.0	583.5
2032	4,939.3	4.98	135.0	393.7	179.3	698.5	236.2	794.1	233.8	1,013.7	483.5	585.1
2033	4,971.7	4.97	136.7	393.9	180.3	702.7	236.7	798.7	235.2	1,028.8	483.8	586.8
2034	5,002.5	4.96	137.7	394.2	181.3	706.8	237.3	802.7	236.6	1,043.8	484.2	588.4
2035	5,031.7	4.95	138.0	394.4	182.3	710.6	237.9	806.0	237.9	1,059.0	484.5	590.1
2036	5,061.1	4.94	138.5	394.7	183.4	714.2	238.5	809.3	239.3	1,074.0	484.9	591.8
2037	5,090.5	4.94	139.3	395.1	184.4	717.5	239.0	812.8	240.6	1,089.1	485.3	593.5
2038	5,120.2	4.93	140.3	395.4	185.4	720.5	239.6	816.4	242.0	1,104.3	485.6	595.2
2039	5,149.9	4.92	141.4	395.7	186.4	723.2	240.1	820.0	243.4	1,119.6	486.0	596.9
2040	5,179.7	4.91	142.6	396.1	187.4	725.8	240.7	823.8	244.7	1,134.9	486.4	598.6





County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	11.8%
Expected job growth:	7.1%
Fastest growing jobs sector:	Professional Services
Expected personal income growth:	15.5%

Expected population growth:	4.5%
Net migration to account for:	17.2%
Expected growth in number of vehicles:	7.1%

Demographics (2014)

Unemployment rate (April 2014):	7.6%
County rank* in California (58 counties):	23rd
Working age (16-64) population:	67.5%

Population with B.A. degree or higher:	29.2%
Median home selling price (2013):	\$330,000
Median household income:	\$53,125

Quality of Life

Violent crime rate (2012):	440 per 100,000 persons
County rank* in California (58 counties):	38th
Average commute time to work (2014):	32.3 minutes

High school drop out rate (2012):	17.3%
Households below poverty line (2014):	14.1%

* The county ranked 1st corresponds to the lowest rate in California